

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.438 Annual statement; filing; extensions; fee; format and contents; reply to inquiries; availability of reports to public; penalty for failure to file statement or reply to inquiry; statement of alien insurer; "U.S. branch" defined.

Sec. 438. (1) Each insurer, foreign, alien, U.S. branch, or domestic, transacting business within this state, shall annually, on or before March 1, prepare under oath and deposit with the commissioner a statement concerning its affairs in a form and manner as prescribed by the commissioner. The annual statement shall be filed on or before March 1 of the year following that covered by the statement. Upon request and for good cause shown, the commissioner may grant to any company reasonable extensions of the March 1 filing date for periods not to exceed 30 days. The insurer shall pay the filing fee prescribed in section 240(1)(b).

(2) The commissioner shall prescribe the format and content of statements that are suitable and adaptable to each kind of insurer authorized by this act. The commissioner shall include requests for information upon any and all important elements of an insurer's business, including any matter, condition, or requirement regulated by this act. An annual statement filed by an insurer under this section shall be prepared in accordance with instructions provided by, and accounting practices and procedures designated by, the commissioner.

(3) The commissioner may address inquiries to any insurer, in relation to the insurer's activities or conditions, or any matter connected with the insurer's transactions. An insurer so addressed shall promptly reply in writing to each inquiry by the commissioner.

(4) Each report filed with the commissioner pursuant to this section shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

(5) Each authorized insurer that fails to make or deposit the annual statement required by this section, or fails to reply within 30 days to an inquiry of the commissioner, is subject to a civil penalty of not less than \$1,000.00 or more than \$5,000.00, and an additional \$50.00 for every day that the insurer fails to make and deposit the annual statement or reply to the inquiry. In addition, each insurer that fails to make and deposit an annual statement, or fails to make a satisfactory reply to an inquiry of the commissioner, concerning the insurer's affairs shall be subject to proceedings under section 436.

(6) The annual statement of an alien insurer shall relate only to the insurer's assets, transactions, and affairs in the United States unless the commissioner requires otherwise.

(7) As used in this section, "U.S. branch" means that term as defined in section 431.

History: 1956, Act 218, Eff. Jan. 1, 1957;—Am. 1957, Act 91, Eff. Sept. 27, 1957;—Am. 1959, Act 39, Eff. Mar. 19, 1960;—Am. 1978, Act 506, Imd. Eff. Dec. 13, 1978;—Am. 1986, Act 173, Imd. Eff. July 7, 1986;—Am. 1992, Act 182, Imd. Eff. Oct. 1, 1992;—Am. 1994, Act 227, Imd. Eff. June 27, 1994.

Popular name: Act 218